

Date: August 5, 2002

To: Tony Usibelli, Energy Policy Division Director
Washington State Office of Trade and Economic Development

David Danner, Energy Policy Advisor
Governor's Executive Policy Office

From: Charles L. Dawsey
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Subject: **Comments on Energy Strategy from Washington Electric Cooperatives**

The following comments are offered on behalf of the consumer-owned electric cooperatives, which appreciate the opportunity to participate in the review process. We submit the following comments for future committee consideration:

Guiding Principles

1. Implement all cost-effective energy conservation.
We propose that cost-effective conservation programs be institutionalized in state policy or guidelines so that more expensive conservation retrofits or rebates can be eliminated.
2. Propose to add:
“that do not adversely affect the reliability of the existing delivery system.”
3. Revise to read:
Use sound verifiable data and analysis tempered by economics as the basis for energy policy.
4. Revise to read:
Foster mutually beneficial relationships with nearby states and provinces to help accomplish Washington's energy goals, while protecting Washington's access to existing energy infrastructure and resources.
5. Revise to read:
Protect consumer's access to low cost and reliable energy, using clear, fair rules and laws to accomplish state energy strategies.
6. Revise to read:
Respond creatively and prospectively to protect consumer's access to low cost and reliable energy recognizing political, social, and environmental changes affecting the use and supply of energy.
7. No change
8. No change
9. No change

10. Because of the significant hardship that recent retail electric rate increases have created upon the electric consumers across the northwest, we propose that only lost opportunity renewable resources be considered at this time, and then only those that are truly cost effective.
11. Revise to read:
Promote broad participation by the state's citizens in the Strategy and provide information and education to enhance understanding.

Assumptions

We concur with the assumptions as they were presented, and propose the following additional ones.

1. That the resources delivered by the Bonneville Power Administration will be allocated amongst its traditional customer groups.
2. That individual public and consumer owned utilities will be responsible for meeting their own load growth above and beyond the allocation of FBS system from BPA.
3. That the next few years will create a number of expensive constrained paths on the existing electrical transmission system that have the potential of significantly raising costs to end use electrical customers, and numerous siting issues.

Short Term Issues

Construction of utility infrastructure is extremely cash intensive. Because of the significant hardship that recent retail electric rate increases have created upon the electric consumers across the northwest, utility spending on system improvements for reliability or capacity will be difficult. As such, only lost opportunity conservation and renewable energy programs should be funded at this time.

Efforts by adjoining states will be undertaken to reallocate the benefits of the BPA system. We need to protect Washington's access to the Federal Base System benefits for the long term.

Long Term Issues

Washington State will need to determine whether it is going to rely on regional and inter-state energy swaps to meet growing energy demands. If so, then the construction and siting of transmission infrastructure must be addressed. If not, a strategy to provide for the construction and operation of new generation near the load centers should be a priority.

To address regional resources shortages, Washington State should coordinate with other states to develop a strategy to look at a coordinated generation planning which would provide direction as to what generation projects operate at what time, where new plants are constructed, when they are taken out of service for maintenance, and to ensure the operation of the least cost resource at the appropriate time.

Investigate alternative operational strategies for the Columbia River system operations that enhance the economic benefits, and fish and wildlife benefits.